

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF WHOLESALE )  
WATER SERVICE RATE OF WINCHESTER ) CASE NO. 2004-00506  
MUNICIPAL UTILITIES )

ORDER

On December 1, 2004, Winchester Municipal Utilities ("WMU") filed proposed revisions to its wholesale water service rate to East Clark County Water District. Under the proposed revisions, WMU's wholesale rate would be revised from a rate of \$1.18 per 1,000 gallons to a declining block rate that is currently assessed to WMU's retail customers.<sup>1</sup> On December 14, 2004, East Clark County Water District advised the Commission in writing that it had no objections to the proposed rate revisions.

The purpose of the Commission's jurisdiction over a municipal utility's wholesale transactions with a public utility is to ensure that any public utility "consumer/customer that has contracted and become dependent for its supply of water from a city utility is not subject to either excessive rates or inadequate service." Simpson County Water District v. City of Franklin, Ky., 872 S.W.2d 460, 465 (1994).

In the case at bar, this purpose has been served. The public utility affected by the proposed rate adjustment has had the opportunity to voice its concerns and to request an investigation. It has indicated its satisfaction with the proposed revision. As the proposed rates appear neither unreasonable or unconscionable on their face, we find

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<sup>1</sup> WMU's retail rates are not subject to Commission jurisdiction. See McClellan v. Louisville Water Co., Ky., 351 S.W.2d 197 (1961).

that further proceedings are not required and that the rates should be permitted to become effective subject to the conditions noted below.

WMU proposes that its revised rates become effective for water service provided in December 2004 and billed on January 1, 2005. This proposed effective date is contrary to KRS 278.180(1) that provides that a utility must provide the Commission with 30 days prior notice of any proposed rate adjustment. As WMU provided the Commission with notice of its proposed rate adjustment on December 1, 2004, it may not lawfully assess the proposed rates for service provided before January 1, 2005.

IT IS THEREFORE ORDERED that the rates set forth in the Appendix to this order are approved for wholesale water service rendered by WMU to East Clark Water District on and after January 1, 2005.

Done at Frankfort, Kentucky, this 17<sup>th</sup> day of December, 2004.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00506 DATED DECEMBER 17, 2004

The following rates and charges are prescribed for water service that Winchester Municipal Utilities provides to East Clark County Water District on and after January 1, 2005. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

First 100 cubic feet	\$4.37 minimum bill
Next 400 cubic feet	3.24 per 100 cubic feet
Next 1,500 cubic feet	3.03 per 100 cubic feet
Next 15,000 cubic feet	2.88 per 100 cubic feet
Next 333,000 cubic feet	2.19 per 100 cubic feet
Over 350,000 cubic feet	1.54 per 100 cubic feet